

GeneralStar™

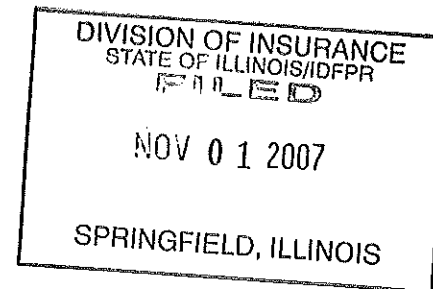
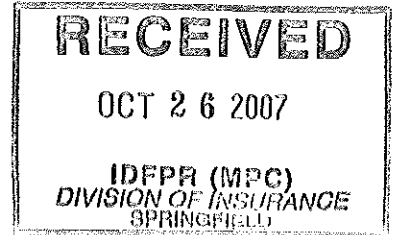
Compliance Unit
Attn: Patricia Villegas
General Star Management Company
695 E. Main Street D-4
Stamford, CT 06904

October 25, 2007

Honorable Michael T. McRaith
Director of Insurance
Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, IL 62767

Attn: Mr. John Gatlin
Supervisor, Property and Casualty Compliance Unit

Re: **General Star National Insurance Company**
NAIC # 0031-11967 FEIN # 13-1958482
Revised Part Time Credit Rule Filing
Professional Liability – Physicians & Surgeons
General Star Advantage
Company Filing #: 07-109-3-PHY-RU
Effective Date: November 1, 2007



Dear Mr. Gatlin:

General Star National Insurance Company respectfully submits for your review and acknowledgment the enclosed Physicians and Surgeons medical liability insurance rules manual filing. We plan to implement this filing on November 1, 2007.

Enclosed please find the required transmittal forms and certification, an Explanatory Memorandum containing a comparison of the changes to our rules, General Rule Manual, an additional copy of this letter, and a postage-paid, self-addressed return envelope for the convenience of your reply.

If you have any questions or concerns that can be resolved by telephone, please do not hesitate to contact me at (203) 328-6079.

Sincerely,

Patricia Villegas

Patricia Villegas
Regulatory Filing Specialist
Regulatory Compliance Unit

Enclosures



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Sincerely,

A handwritten signature in cursive script that reads "Patricia Villegas".

Patricia Villegas
Regulatory Filing Specialist
Regulatory Compliance Unit

Enclosures

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> New Business </div> <div style="display: flex; justify-content: space-between;"> Renewal Business </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes
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3. Group Name	Group NAIC #
Berkshire Hathaway	0031

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
General Star National Insurance Company	OH	11967	13-1988169	

5. Company Tracking Number	07-109-3-PHY-RU
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Patricia Villegas General Star National Insurance Company 695 East Main Street Stamford, CT 06901	Regulatory Filing Specialist	203-328-6079	203-328-6150	patricia.villegas@generalstar.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Patricia Villegas

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	Medical Malpractice 11.0000
10.	Sub-Type of Insurance (Sub-TOI)	Claims-Made 11.1000
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	General Star Advantage
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 11/01/2007 Renewal: 11/01/2007

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	N/A
17.	Reference Organization # & Title	N/A
18.	Company's Date of Filing	10/25/07
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	07-109-3-PHY-RU
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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General Star National Insurance Company is proposing a change to its General Star Advantage manual filed on 11-01-2006 for physicians and surgeons' medical malpractice coverage. The main purpose of this revision is to eliminate the part-time credit rule tier system and replace it with one eligibility benchmark. We are also clarifying the eligibility requirements by specialty and state that only non-surgical classes are eligible for this credit.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
Check #: Amount:	
Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	07-109-3-PHY-RU
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	07-109-3-PHY-F

☐ Rate Increase☐ Rate Decrease☒ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)		Use & File				
4a.	Rate Change by Company (As Proposed) THIS IS NOT A RATE LEVEL CHANGE						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
General Star National Insurance Company	0%	0%	0				
4b.	Rate Change by Company (As Accepted) For State Use Only						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	0% - initial filing
7.	Effective Date of last rate revision	November 1, 2006
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	General Rule Manual 11/2007 Edition – Version 1.4 Page 1 to Page 6	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 11/01/2007

(1) <u>Coverage</u>		(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1.	Automobile Liability Private Passenger Commercial		
2.	Automobile Physical Damage Private Passenger Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other <u>Medical Malpractice</u> Line of Insurance	<u>\$2,000,000</u>	<u>0%</u>

Does filing only apply to certain territory (territories) or certain classes? If so, specify:

No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

General Rule Manual - SECTION IX., Item B. we eliminated the part-time credit rule tier system and replaced it with one eligibility benchmark. We are also clarifying the eligibility requirement by specialty and explicitly state that only non-surgical classes are eligible for this credit.

* Adjusted to reflect all prior rate changes.

** Change in Company's premium level which will result from application of new rates.

General Star National Ins. Co.

Name of Company

Patricia Villegas, Reg. Filing Spec.


Official - Title

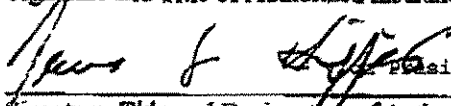
ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Adam Yasan, a duly authorized officer
of General Star National Insurance Company am authorized to certify
on behalf of the Company making this filing that the company's rates are based on sound
actuarial principles and are not inconsistent with the company's experience, and that I am
knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the
subject of this filing.

I, James Higgins, a duly authorized actuary
of General Star National Insurance Company am authorized to certify
on behalf of General Star National Ins. Co. making this filing that the company's rates are
based on sound actuarial principles and are not inconsistent with the company's
experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the
policy rates that are the subject of this filing.

 - Vice President
Signature and Title of Authorized Insurance Company Officer
Date 10/24/07

 President FCAS, MAAA
Signature, Title and Designation of Authorized Actuary
Date 10/24/07

Insurance Company FEIN 13 - 1955482 Filing Number 07-109-3-PHY-RU
Insurer's Address 695 E. Main Street
City Stamford State CT Zip Code 06901
Contact Person's:
-Name and E-mail Patricia Villegas - patricia.villegas@generalstar.com
-Direct Telephone and Fax Number P 203.328.6079 F 203.328.6150



GENERAL STAR ADVANTAGE COVERAGE FOR PHYSICIANS AND SURGEONS

FILING MEMORANDUM

OUR FILE # 07-109-3-PHY-RU

General Star National Insurance Company is proposing the following change to its countrywide General Star Advantage General Rule Manual originally filed on 11-01-2006 in Illinois for physicians and surgeons' medical malpractice coverage.

First, this revision will simplify the application of the part-time credit's rules by eliminating the tier system and its cumbersome verification process and replacing it with one eligibility benchmark. Second, we are clarifying the eligibility requirements by specialty and explicitly state that only non-surgical classes are eligible for this credit, which is consistent with our past underwriting practice.

The proposed rule is consistent with the rating procedure used by other commercial carriers providing this coverage. The resulting change will not reduce coverage and have no measurable impact on filed and approved rates.

Rule Changes

Section IX, item B.

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 10	80 - 90% of Medical Specialty
Between 10 - 15	70 - 80% of Medical Specialty
Between 16 - 20	60 - 70% of Medical Specialty
Between 21 - 25	50 - 60% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status.

Replaced with:

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 20	50% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time. Specific exposures and medical specialties including surgical specialties may be deemed ineligible for part-time status.

Under separate cover, we submit our complementary form filing 07-109-3-PHY-F. In order to streamline and bring consistency to the process, we have created a Part-Time Supplemental Application that will be completed by insured(s) physicians claiming part-time status.



**Physicians & Surgeons
Professional Liability Claims-Made Reported**

GENERAL STAR ADVANTAGE
Underwritten by
GENERAL STAR NATIONAL INSURANCE COMPANY

GENERAL STAR NATIONAL INSURANCE COMPANY

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY
CLAIMS MADE AND REPORTED COVERAGE**

GENERAL RULE MANUAL

GENERAL STAR ADVANTAGE
Underwritten by
GENERAL STAR NATIONAL INSURANCE COMPANY

I. USE OF THIS MANUAL

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

II. COVERAGE

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

III. BASIC LIMITS OF LIABILITY

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate
For higher limits please refer to Company

IV. POLICY WRITING MINIMUM PREMIUM

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

V. DECREASED LIMITS OF LIABILITY

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

VI. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

A. PREMIUM ROUNDING RULE

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

B. FACTORS OR MULTIPLIERS

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** and **Deductibles** are to be added together and then applied multiplicatively.

C. ADDITIONAL and RETURN PREMIUM

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.

GENERAL STAR ADVANTAGE
Underwritten by
GENERAL STAR NATIONAL INSURANCE COMPANY

D. CLAIMS MADE 'STEP' RULE

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the Insured agrees in writing; and
- B. the policy would otherwise not be written.

VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

IX. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
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B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 20	50% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time. Specific exposures and medical specialties including surgical specialties may be deemed ineligible for part-time status.

C. Locum Tenens Physicians

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.

D. New to practice physicians

To recognize the reduced exposure associated with those professionals that recently completed their residency program (within 6 months of the graduation date), a reduced rate will be charged upon the following basis:

1 st year of practice discount	50%
2 nd year of practice discount	25%

GENERAL STAR ADVANTAGE
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GENERAL STAR NATIONAL INSURANCE COMPANY

X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

A. Solo Practice:

by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge.

B. All Others:

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

XII. OPTIONAL COVERAGES / ENDORSEMENTS

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

A. Medical Laboratory

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

B. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible (indemnity and expenses)	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%

XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

GENERAL STAR ADVANTAGE
Underwritten by
GENERAL STAR NATIONAL INSURANCE COMPANY

Individual Risk Modification Schedule		Credits	Debits
a. <u>Loss Experience</u>	The underwriter will evaluate the circumstances of past claims and will take into consideration the report date of each claim and the paid indemnity amounts.	0%	0%-20%
b. <u>Loss Control Program</u>	The underwriter will evaluate the procedures in place within the practice, including adherence to any prior loss control recommendations.	0-10%	0-10%
c. <u>Practice Characteristics</u>	The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%
d. <u>Continuing Education</u>	Determine if the applicant's professional and paraprofessional staff participates in effective continuing medical education program(s).	0-5%	0-5%
e. <u>Ancillary Personnel</u>	Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.	0-5% per employee	0-5% per employee
f. <u>Practice Hours</u>	Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.	0-10%	0-10%
g. <u>Patient Count</u>	Surcharge for above-average patient or procedure volume; credit for low volume.	5-10%	5-10%
h. <u>Use of Hospitalists</u>	The underwriter will evaluate the use of hospitalists for patient admissions.	0-10%	0-10%
i. <u>Emergency Room exposure</u>	The underwriter will evaluate any Emergency Medicine exposure.	0-10%	0-10%
j. <u>Unusual Risk Characteristics</u>	The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.	0-10%	0-10%

GENERAL STAR ADVANTAGE
Underwritten by
GENERAL STAR NATIONAL INSURANCE COMPANY

XIV. INSTALLMENT OPTIONS

Quarterly and semi-annual premium installment options with no interest charges and no installment charges/fees are available subject to the following terms:

- 1) Quarterly - An initial payment of 40% of the total premium due at policy inception with remaining premium due three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Semi-annually - An initial payment of 60% of the total premium due at policy inception with remaining premium due six months (40%) from policy inception.
- 3) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.